



AMERICAN
FAMILY
BUSINESS
INSTITUTE

2012: Year of Class Warfare

- ★ Occupy DC
- ★ Campaign Rhetoric
- ★ Media

The Politics of “Covetousness”

- ★ 99% vs. 1%

- ★ “heroes” vs. “villains”

- ★ 1% “villains”:

 - ★ Family farmers

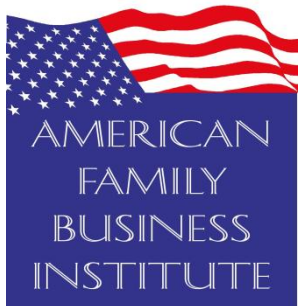
 - ★ Family business owners

 - ★ Entrepreneurs

Class Warfare & Death Tax

“ The abolition of all right of inheritance.”

-Karl Marx, Communist Manifesto
Point #3 of 10



Estate Tax & Polling

- ★ 2/3+ Americans: Repeal Estate Tax
- ★ Oregon: 58% repeal vs. 14% keep the Estate Tax
- ★ Demographic & Death Tax: -\$30,000

Jobs



**57% of jobs come from
America's family businesses.**

Jobs

Federal Estate Tax repeal will:

- ★ Add 1,500,000 jobs to the American economy
- ★ Add 42,669 jobs to North Carolina's economy

-Dr. Douglas Holtz-Eakin former Director
Congressional Budget Office



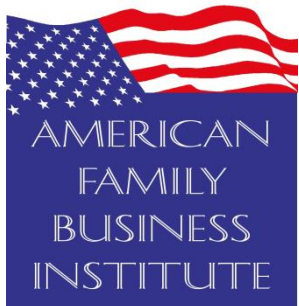
Let's Talk About Congress

Election:

- ★ 500+ pledge signers
- ★ 278 primary winners
- ★ 131 elected pledge signers

Results:

- ★ 12 Senators
- ★ 119 House Members



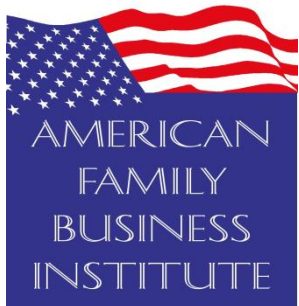
House

★ H.R. 1259

★ Brady-Ross Bill

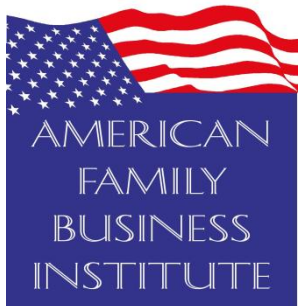
★ 193 Cosponsors

★ Bipartisan



Senate

- ★ Sen. John Thune, R-South Dakota
- ★ Possible votes



White House

- ★ President Obama: 45% with \$3.5
- ★ Presidential Death Tax Repeal Pledges:
 - ★ Michelle Bachman
 - ★ Newt Gingrich
 - ★ Gary Johnson
 - ★ Rick Perry
 - ★ Mitt Romney
 - ★ Rick Santorum

State Death Tax battles

★ 29 States have no Death Tax

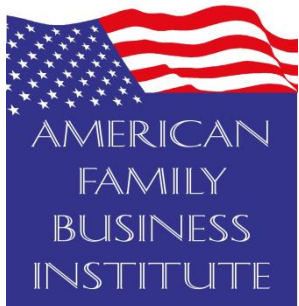
★ 21 States have either:

- ★ Estate Tax

- ★ Inheritance Tax

- ★ Both

★ Ohio: 2011 Estate Tax repeal victory



State Death Tax battles: 2012

- ★ Oregon
- ★ Nebraska
- ★ Indiana
- ★ Minnesota
- ★ Tennessee



State Death Tax battles

Tennessee study

The Economic Consequences of Tennessee's Gift and Estate Tax

By Arthur Laffer, Ph.D. & Wayne Winegarden, Ph.D.
2011

November,

“Tennessee’s gift and estate tax is the single greatest reason why wealthy people don’t want to live in Tennessee. Many leave the state and few move into Tennessee. They take all their jobs, entrepreneurship, spending, homes and wealth with them. This is the single greatest detriment to Tennessee’s growth and Tennessee’s ability to raise sufficient tax revenues. If Tennessee’s gift and estate tax were repealed or greatly reduced Tennessee’s state tax revenues would increase, not decrease.”



State Death Tax battles

Tennessee study

- ★ Had Tennessee repealed their Estate Tax 10 years ago:
 - ★ Tennessee economy: 14% larger
 - ★ 200,000+ more jobs
 - ★ \$7+ billion in more tax revenue

State Death Tax Studies

★ Connecticut

- ★ Out-Migration of people & capital

- ★ People: \$446,000, average income

- ★ Capital: \$7,500,000, average capital/person

State Death Tax Studies

★ Rhode Island

- ★ Estate Tax brought in: +\$27 million
- ★ Out-migration due to the Estate Tax cost: (\$111 million) of tax revenues
- ★ 4 to 1 ration: \$4 lost vs. \$1 tax revenue

Conclusion

In a time of political Class Warfare:

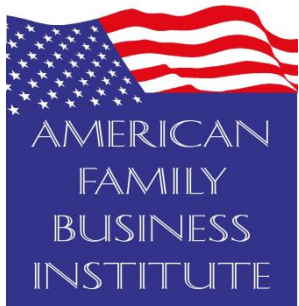
- ★ Estate Taxes were originally created not as a source of revenue but as a wealth redistribution tool.
- ★ Estate Taxes are a very minor source of tax revenue
- ★ Estate Taxes drive out productive people, their income, spending, jobs creation and capital.
- ★ Estate Taxes are a net negative in overall tax

revenue



American Family Business Institute

“No taxation without respiration!”



www.nodeathtax.org